

## Federal Management Regulation

## § 102-118.295

### **§ 102-118.270 Must my agency establish a prepayment audit program?**

Yes, under 31 U.S.C. 3726, your agency is required to establish a prepayment audit program. Your agency must send a preliminary copy of your prepayment audit program to: General Services Administration, Office of Travel, Transportation and Asset Management (MT), 1800 F Street, NW., Washington, DC 20405.

[74 FR 30476, June 26, 2009]

### **§ 102-118.275 What must my agency consider when designing and implementing a prepayment audit program?**

(a) As shown in § 102-118.45, the manner in which your agency orders transportation services determines how and by whom the bill for those services will be presented. Each method of ordering transportation and transportation services may require a different kind of prepayment audit.

Your agency's prepayment audit program must consider all of the methods that you use to order and pay for transportation services. With each method of ordering transportation services, your agency should ensure that each TSP bill or employee travel voucher contains enough information for the prepayment audit to determine which contract or rate tender is used and that the type and quantity of any additional services are clearly delineated.

(b) For transportation payments made through cost reimbursable contracts, the agency must include a statement in the contract that the contractor shall submit to the address identified for prepayment audit, transportation documents which show that the United States will assume freight charges that were paid by the contractor.

(c) Cost reimbursable contractors shall only submit for audit bills of lading with freight shipment charges exceeding \$100.00. Bills under \$100.00 shall be retained on-site by the contractor and made available for on-site audits.

[69 FR 57619, Sept. 24, 2004]

### **§ 102-118.280 What advantages does the prepayment audit offer my agency?**

Prepayment auditing will allow your agency to detect and eliminate billing errors before payment and will eliminate the time and cost of recovering agency overpayments.

### **§ 102-118.285 What options for performing a prepayment audit does my agency have?**

Your agency may perform a prepayment audit by:

- (a) Creating an internal prepayment audit program;
- (b) Contracting directly with a prepayment audit service provider; or
- (c) Using the services of a prepayment audit contractor under GSA's multiple award schedule covering audit and financial management services.

NOTE TO § 102-118.285: Either of the choices in paragraph (a), (b) or (c) of this section might include contracts with charge card companies that provide prepayment audit services.

### **§ 102-118.290 Must every electronic and paper transportation bill undergo a prepayment audit?**

Yes, all transportation bills and payments must undergo a prepayment audit unless your agency's prepayment audit program uses a statistical sampling technique of the bills or the Administrator of General Services grants a specific waiver from the prepayment audit requirement. If your agency chooses to use statistical sampling, all bills must be at or below the Comptroller General specified limit of \$2,500.00 (31 U.S.C. 3521(b) and U.S. Government Accountability Office Policy and Procedures Manual Chapter 7, obtainable from:

U.S. Government Accountability Office  
P.O. Box 6015  
Gaithersburg, MD 20884-6015  
<http://www.gao.gov>

[65 FR 24569, Apr. 26, 2000, as amended at 74 FR 30476, June 26, 2009]

### **§ 102-118.295 What are the limited exceptions to every bill undergoing a prepayment audit?**

The limited exceptions to bills undergoing a prepayment audit are those bills subject to a waiver from GSA